

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
(Baltimore Division)

In re:))
CHASEN CONSTRUCTION, LLC,)) Case No. 25-12356-NVA
Debtor.))
)) (Chapter 11)
In re:))
BRANDON M. CHASEN SR.)) Case No. 25-15437-NVA
Debtor.))
)) (Chapter 7)

MOTION FOR RULE 2004 EXAMINATION
(Paypal, Inc. t/a Venmo)

COMES NOW, Roger Schlossberg, Chapter 11 Trustee for the bankruptcy estate of Chasen Construction LLC (the “Chapter 11 Trustee”), and Zvi Guttmann, Chapter 7 Trustee for the bankruptcy estate of Brandon M. Chasen Sr. (the “Chapter 7 Trustee”) (collectively, the “Trustees” or “Movants”), and in support of their *Motion for Rule 2004 Examination of Paypal, Inc. t/a Venmo* (the “Motion”), hereby respectfully represents as follows:

Background

1. On March 19, 2025, a bankruptcy proceeding was commenced against Chasen Construction, LLC (“Chasen Construction”) upon the filing of an *Involuntary Petition* under Chapter 11 of the Bankruptcy Code by Sandy Spring Bank (“Sandy Spring”), Southland Insulators of Maryland, Inc., and Ferguson Enterprises, Inc. (collectively, the “Petitioning Creditors”). [Dkt. #1 in Case No. 25-12356].

2. On that same date, Sandy Spring Bank filed an *Emergency Motion to Appoint*

Chapter 11 Trustee (the “*Emergency Motion*”). [Dkt. #3 in Case. No. 25-12356]. Following the conduct of expedited proceedings on that *Emergency Motion* commencing on March 24, 2025, this Court orally announced its ruling on March 25, 2025 and subsequently caused to be issued on March 26, 2025 its *Order Granting Emergency Motion to Appoint Chapter 11 Trustee and Directing the Appointment of a Chapter 11 Trustee*. [Dkt. #22 in Case No. 25-12356].

3. Mr. Schlossberg thereafter was appointed by the Acting United States Trustee for Region Four to serve as the Chapter 11 Trustee for the bankruptcy estate of Chasen Construction. [Dkt. #23 in Case No. 25-12356]. This Court approved Mr. Schlossberg’s appointment on March 27, 2025. [Dkt. #26 in Case No. 25-12356]. Mr. Schlossberg thereafter accepted appointment as the Chapter 11 Trustee herein, duly qualified for that position and has been acting in said fiduciary capacity through the date hereof.

4. On June 16, 2025, the aforementioned Petitioning Creditors commenced a bankruptcy proceeding against Brandon M. Chasen Sr. (“Mr. Chasen”), one of the principals of Chasen Construction, upon the filing of an *Involuntary Petition* under Chapter 7 of the Bankruptcy Code. [Dkt. #1 in Case No. 25-12437].

5. On July 11, 2025, Mr. Chasen moved to convert Case No. 25-12437 to a voluntary case under Chapter 7 of the Bankruptcy Code. [Dkt. #23 in Case No. 25-12437]. On July 30, 2025, this Court granted Mr. Chasen’s motion to convert the case to a voluntary proceeding. [Dkt. #29 in Case No. 25-12437].

6. Mr. Guttman thereupon duly was appointed Chapter 7 Interim Trustee of Mr. Chasen’s bankruptcy estate. Following the convening of that meeting of creditors required to be conducted pursuant to 11 U.S.C. § 341(a) without the request by creditors for the election of a trustee as permitted by 11 U.S.C. §702(b) and (c), the appointment of Mr. Guttman ripened into

that of permanent Chapter 7 Trustee pursuant to the provisions of 11 U.S.C. § 702(d).

Jurisdiction, Venue, Etc.

7. This Court is vested with jurisdiction over the above-captioned administrative cases and this contested matter pursuant to 28 U.S.C. §1334, 28 U.S.C. §157(a) and United States District Court Local Rule 402. Further, this contested matter is a “core” proceeding pursuant to the provisions of 28 U.S.C. §157(b)(2)(A) and (O). Venue in this Court is appropriate pursuant to the provisions of 28 U.S.C. §§ 1408 and 1409(a).

Parties

8. Your Movants jointly seek authority by the instant *Motion* to conduct an examination pursuant to the provisions of Bankruptcy Rule 2004.

9. The party as to whom your Movants seek to examine pursuant to the provisions of Bankruptcy Rule 2004 is Paypal, Inc. t/a Venmo (“VENMO”), with a principal place of business at 2211 North First Street San Jose CA 95131 and/or 117 Barrow Street, New York, NY 10014.

Legal Authority for Rule 2004 Examination

10. Bankruptcy Rule 2004(a) provides that “[o]n motion of any party in interest, the court may order the examination of any entity.” Fed. R. Bankr. P. 2004(a). Rule 2004 permits the “examination of an entity . . . relat[ing] only to the acts, conduct, or property or to the liabilities and financial condition of the debtor, or to any matter which may affect the administration of the debtor’s estate...” *Id.* The term “entity” includes any governmental unit. 11 U.S.C. §101(15).

11. Bankruptcy Rule 2004 uniformly has been held to provide a broad power to investigate *any* matter that may affect the administration of the estate, particularly regarding the discovery of assets of estate and exposure of any fraudulent conduct. *See In re Symington*, 209 B.R. 678, 683 (Bankr. D. Md. 1997); *In re Bennett Funding Group, Inc.*, 203 B.R. 24, 27-28

(Bankr. N.D.N.Y. 1996); *In re Drexel Burnham Lambert Group, Inc.*, 123 B.R. 702, 708 (Bankr. S.D.N.Y. 1991). The Rule is designed to provide a “sweeping general examination” of debtors, the scope of which is “unfettered and broad.” *In re Symington*, 209 B.R. at 683; *In re GHR Energy Corp.*, 33 B.R. 451, 453-54 (Bankr. D. Mass. 1983). The scope of a Bankruptcy Rule 2004 examination, in fact, is so broad it has been characterized as a “fishing expedition.” *In re Szadkowski*, 198 B.R. 140, 140 (Bankr. D. Md. 1996); *In re Duratech Indus.*, 241 B.R. 291 (Bankr. E.D.N.Y. 1999), *aff'd*, 241 B.R. 283 (N.D.N.Y. 1999).

Factual Predicate for the Instant Rule 2004 Examination

12. Upon investigation into the assets, business operations, and financial affairs of Chasen Construction and its numerous affiliated business entities (hereinafter referred to as the “Chasen Related Entities”) and Mr. Chasen, the Trustees learned that over the course of the last three (3) years, large sums of money that originated with the Chasen Related Entities and Mr. Chasen were transferred to VENMO. It is further believed, based on said investigation, that the funds transferred to VENMO were initially transferred to Catherine Chasen, the estranged wife of the Debtor. These transfers total thousands of dollars a month.

13. The Trustees desire to examine VENMO to learn more about the purposes and uses of the payments made by Mrs. Chasen to VENMO. The Trustees also seek to obtain documents from VENMO regarding any transactions that VENMO processed, or participated in, which involve any of Chasen Construction, the Chasen Related Entities, the Trust, Mr. Chasen, Mrs. Chasen, and/or Mr. Davis or the families of either.

14. Accordingly, your Movants now seek leave by the instant *Motion* to take the Rule 2004 examination of VENMO and to request the production of documents from said examinee pursuant to a standard *Subpoena for Rule 2004 Examination*.

15. Movants respectfully urge that the requested Rule 2004 examination is in the best interests of all parties-in-interest in the above-captioned bankruptcy cases.

16. Pursuant to Local Rule 9013-2, Movants state that no memorandum of fact and law will be filed and that they will rely solely upon this motion.

Conclusion

WHEREFORE, Movants respectfully pray that this Honorable Court grant the instant *Motion* and order that a Rule 2004 examination of *Paypal, Inc. t/a Venmo* be conducted herein.

Respectfully submitted,

SCHLOSSBERG | MASTRO

/s/ Frank J. Mastro
Frank J. Mastro #24679
Roger Schlossberg
P.O. Box 2067
Hagerstown, MD 21742-2067
(301) 739-8610
fmastro@schlosslaw.com
rschlossberg@schlosslaw.com
Attorneys for Roger Schlossberg, Ch. 11 Trustee

THE LAW OFFICES OF ZVI GUTTMAN, P.A.

/s/ Zvi Guttman
Zvi Guttman #06902
P.O. Box 32308
Baltimore, MD 21282
(410) 580-0500
zvi@zviguttman.com
Attorneys for Zvi Guttman, Ch. 7 Trustee